



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0091	Title:	\$1 an hour raise for state employees
Primary Sponsor:	Brown, Dee	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$19,003,983	\$38,322,057	\$38,586,183	\$38,578,313
State Special Revenue	\$9,428,063	\$19,008,820	\$19,153,324	\$19,149,420
Federal Special Revenue	\$5,870,788	\$11,827,353	\$11,917,267	\$11,914,840
Proprietary	\$292,899	\$590,264	\$590,750	\$594,628
Current Unrestricted	\$6,517,735	\$13,135,336	\$13,235,190	\$13,232,498
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Proprietary	\$0	\$0	\$0	\$0
Current Unrestricted				
Net Impact-General Fund Balance	<u>(\$19,003,983)</u>	<u>(\$38,322,057)</u>	<u>(\$38,586,183)</u>	<u>(\$38,578,313)</u>

Description of fiscal impact: The bill provides a \$1 per hour pay increase in the first full pay period in FY 2010 and an additional \$1 per hour pay increase in the first full pay period in FY 2011. The fiscal note reflects the cost of the pay increase for state employees and associated benefits.

FISCAL ANALYSIS

Assumptions:

1. The bill provides a \$1 per hour pay increase for employees in the first full pay period of FY 2010. The first full pay period in FY 2010 begins July 4, 2009. There are 2,064 affected work hours for the year.
2. The bill provides a \$1 per hour pay increase for employees in the first full pay period of FY 2011. The first full pay period in FY 2011 begins July 3, 2010. There are 2,072 affected work hours for the year.
3. There are 2088 hours in FY 2012 and 2080 hours in FY 2013.

4. The cost estimate is based on July 2008 snapshot data contained on the Montana Budget and Reporting System (MBARS).
5. Benefits associated with the pay increase are estimated to by 17%. A 2.5% annual inflation factor is applied to the benefits calculation for the 2013 biennium.
6. For the Montana University System (MUS), only employees who are paid from Current Unrestricted Funds (CUF) are included. The same funding allocation to the general fund for CUF that was used for HB 13 is used for this fiscal note. The cumulative affect of the funding allocation is that the state general fund would pay for approximately 45% of the total CUF cost of the pay increase. The remainder of the funding would come from other CUF revenues including tuition and federal funds. If another funding allocation is used, the general fund cost would change.
7. The table below shows the cost of the FY 2010 increase in FY 2010 and the cumulative cost of the FY 2010 increase and the FY 2011 increase in FY 2011, FY 2012, and FY 2013. Costs are shown for HB 2 FTE.

	FY 2010	FY 2011	FY 2012	FY 2013
Legislative Branch				
General Fund (HB 2)	\$321,195	\$647,311	\$652,232	\$652,099
Consumer Council				
State Special Revenue (HB 2)	\$14,490	\$29,202	\$29,424	\$29,418
Judicial Branch				
General Fund (HB 2)	\$870,004	\$1,753,337	\$1,766,666	\$1,766,306
State Special Revenue (HB 2)	\$48,300	\$97,340	\$98,080	\$98,060
Federal Special Revenue (HB 2)	\$1,811	\$3,650	\$3,678	\$3,677
Executive Branch				
General Fund (HB 2)	\$12,327,969	\$24,840,755	\$25,029,595	\$25,024,496
State Special Revenue (HB 2)	\$9,362,858	\$18,877,411	\$19,020,916	\$19,017,039
Federal Special Revenue (HB 2)	\$5,658,872	\$11,400,274	\$11,486,941	\$11,484,602
Proprietary Fund (HB 2)	\$292,899	\$590,264	\$590,750	\$594,628
University System - OCHE				
General Fund (HB 2)	\$67,620	\$163,276	\$137,312	\$137,284
State Special Revenue (HB 2)	\$2,415	\$4,867	\$4,904	\$4,903
Federal Special Revenue (HB 2)	\$210,105	\$423,429	\$426,648	\$426,561
University System - Campuses and Agencies				
General Fund (See assumption # 6)	\$5,417,195	\$10,917,378	\$11,000,378	\$10,998,128
Current Unrestricted Funds	\$6,517,735	\$13,135,336	\$13,235,190	\$13,232,498

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$41,113,468	\$82,883,830	\$83,482,714	\$83,469,699
<u>Funding of Expenditures:</u>				
General Fund (01)	\$19,003,983	\$38,322,057	\$38,586,183	\$38,578,313
State Special Revenue (02)	\$9,428,063	\$19,008,820	\$19,153,324	\$19,149,420
Federal Special Revenue (03)	\$5,870,788	\$11,827,353	\$11,917,267	\$11,914,840
Proprietary Funds (06)	\$292,899	\$590,264	\$590,750	\$594,628
Current Unrestricted Funds (05)	\$6,517,735	\$13,135,336	\$13,235,190	\$13,232,498
TOTAL Funding of Exp.	\$41,113,468	\$82,883,830	\$83,482,714	\$83,469,699

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$19,003,983)	(\$38,322,057)	(\$38,586,183)	(\$38,578,313)
State Special Revenue (02)	(\$9,428,063)	(\$19,008,820)	(\$19,153,324)	(\$19,149,420)
Federal Special Revenue (03)	(\$5,870,788)	(\$11,827,353)	(\$11,917,267)	(\$11,914,840)
Proprietary Funds (06)	(\$292,899)	(\$590,264)	(\$590,750)	(\$594,628)
Current Unrestricted Funds (05)	(\$6,517,735)	(\$13,135,336)	(\$13,235,190)	(\$13,232,498)

Technical Notes:

1. The bill amends 2-18-303 (2)(a), MCA, to add current dates. This subsection is related to the appropriation for the pay plan for the 2009 biennium. This section is no longer necessary and should be deleted from the statute.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date